

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-01-16-156 (PGA-01-17)
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ORDER GRANTING WAIVER

(Issued March 30, 2001)

On March 5, 2001, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) its March 2001 purchased gas adjustment (PGA) rates. The filing was identified as Docket No. PGA-01-17. Also on March 5, 2001, MidAmerican requested a waiver of the Rb factor calculation in 199 IAC 19.10. The waiver request has been identified as Docket No. WRU-01-16-156. The Rb factor is the adjusted amount necessary to obtain the anticipated balance for the remaining purchased gas adjustment (PGA) year calculated by taking the anticipated PGA balance divided by the forecasted volumes for the months of October through August of the PGA year. Pursuant to 199 IAC 19.10(4), a company must file an Rb factor in its February PGA and if anticipated revenues exceed or fall short of anticipated costs by more than one-half of 1 percent, the PGA adjustment necessary to obtain the anticipated balance shall constitute the amount to be reflected as the Rb factor.

MidAmerican requests the waiver so that the Rb factor can be calculated by taking the anticipated PGA balance divided by the forecasted volumes for the

months of March through August 2001. MidAmerican states that it proposes to deviate from the requirements of 199 IAC 19.10(4) in order to collect anticipated underrecoveries over six months rather than 11 months. The waiver is only requested for the PGA factor adjustments for the months of March through August 2001. This change will attempt to collect gas cost underrecoveries within the reconciliation year rather than moving these gas underrecoveries into an annual gas reconciliation factor collected in the next gas reconciliation period. MidAmerican was granted a similar waiver for the February Rb factor in Docket No. WRU-01-6-156, and MidAmerican states that undercollections have continued to increase.

Rule 199 IAC 1.3 states that the Board may grant a waiver if it finds, based upon clear and convincing evidence, that the application of the rule would pose an undue hardship, would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver requests described above and finds that the waiver meets the four criteria of the rule and the evidence in support of the waiver is clear and convincing.

The Board finds that it would be an undue hardship on MidAmerican and its customers to allow the Rb factor to be spread over the 11 months required by the rule. It is more reasonable for any undercollections to be recovered during the remainder of this PGA period.

The Board finds that no person's substantial legal rights will be affected by this waiver, that the calculation of the Rb factor is not specifically mandated by statute, and that health, safety, and welfare will be protected after the waiver. The Board will therefore grant the waiver and allow MidAmerican to calculate the Rb factor using the six months from February through August 2001.

IT IS THEREFORE ORDERED:

The waiver of 199 IAC 19.10 for calculation of the Rb factor for the March 2001 purchased gas adjustment filed by MidAmerican Energy Company on March 5, 2001, is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 30th day of March, 2001.